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DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Automated Commercial Environment (ACE) Becoming the Sole CBP-Authorized Electronic Data Interchange (EDI) System for Generating, Transmitting and Updating Daily and Monthly Statements

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: General notice.

SUMMARY: This document announces that the Automated Commercial Environment (ACE) will be the sole electronic data interchange (EDI) system authorized by U.S. Customs and Border Protection (CBP) for generating, transmitting, and updating daily and monthly statements for all entries except reconciliation (type 09) entries. This document also announces that the Automated Commercial System (ACS) will no longer be a CBP-authorized EDI system for processing such statements.

DATES: As of December 9, 2017, ACE will be the sole CBP-authorized EDI system for generating, transmitting, and updating daily and monthly statements, and ACS will no longer be a CBP-authorized EDI system for such purpose.

FOR FURTHER INFORMATION CONTACT: For policy-related questions, contact Randy Mitchell, Commercial Operations, Revenue and Entry, Trade Policy and Programs, Office of Trade, via email at otentrysummary@cbp.dhs.gov. For technical questions, contact Celestine Harrell, Revenue Modernization Branch, Trade Transformation Office, Office of Trade, via email at Celestine.Harrell@cbp.dhs.gov with a subject line identifier reading "Statement Processing in ACE".

SUPPLEMENTARY INFORMATION:

I. Background

Section 484 of the Tariff Act of 1930, as amended (19 U.S.C. 1484), establishes the requirement for importers of record to make entry for merchandise to be imported into the customs territory of the United States. Customs entry information is used by U.S. Customs and Border Protection (CBP) and Partner Government Agencies (PGAs) to determine whether merchandise may be released from CBP custody. Importers of record are also obligated to complete the entry by filing an entry summary declaring the value, classification and rate of duty applicable to the merchandise and such other information as is necessary for CBP to properly assess duties, collect accurate statistics and determine whether any other applicable requirement of law is met. *See* 19 U.S.C. 1484(a)(1)(B).

Section 505 of the Tariff Act of 1930, as amended (19 U.S.C. 1505), establishes the requirement for importers of record to deposit with CBP the amount of duties and fees estimated to be payable on merchandise unless that merchandise is entered for warehouse or transportation, or under bond. According to section 141.101 of Title 19 of the Code of Federal Regulations (CFR), estimated duties shall either be deposited with a CBP officer at the time of filing of entry or entry summary documentation, or be transmitted to CBP pursuant to the statement processing method.

A. Statement Processing

Statement processing is a voluntary automated program for participants in the Automated Broker Interface (ABI) which allows entries to be grouped on a daily basis by importer or filer, and allows payment of related duties, fees and taxes by a single payment. *See* 19 CFR 24.1(a)(8) and 24.25 and 143.32(p). The preferred method of payment for users of statement processing is by Automated Clearinghouse (ACH). *See* 19 CFR 24.25(a). According to 19 CFR 143.32(p),

ACS, or any other CBP-authorized EDI system, generates the statement, which is transmitted electronically to the filer, consisting of a list of entry summaries and the amount of duties, fees and taxes due for payment. Currently, the daily statements are generated, transmitted and updated in ACS.

B. Periodic Monthly Statement Test Program

As an alternative to paying ACH statements on a daily basis, participants in the periodic monthly statements (PMS) test may pay ACH statements on a monthly basis. CBP announced its plan to conduct the PMS test on February 4, 2004 in a notice in the *Federal Register* (69 FR 5362) which allows importers to deposit estimated duties, fees and taxes on a monthly basis using ACH. A PMS summarizes daily statements into a consolidated statement each month for a single monthly payment by the 15th working day of the month following the month of entry or release. CBP last modified and clarified the PMS test in a *Federal Register* notice (82 FR 50656) published on November 1, 2017. Currently, monthly statements are generated, transmitted and updated in ACS.

II. Transition into the Automated Commercial Environment (ACE)

In an effort to modernize the business processes essential to securing U.S. borders, facilitating the flow of legitimate shipments, and targeting illicit goods pursuant to Title VI of the North American Free Trade Agreement Implementation Act (Pub. L. 103–182, 107 Stat. 2057, December 8, 1993), commonly known as the Customs Modernization Act, or Mod Act, and the Security and Accountability for Every (SAFE) Port Act of 2006 (Pub. L. 109–347, 120 Stat. 1884), CBP developed ACE to eventually replace ACS as the CBP-authorized EDI system. Over the last several years, CBP has tested ACE and provided significant public outreach to ensure that the trade community is fully aware of the transition from ACS to ACE.

On October 13, 2015, CBP published an Interim Final Rule in the *Federal Register* (80 FR 61278) that designated ACE as a CBP-authorized EDI system, to be effective November 1, 2015. In the Interim Final Rule, CBP stated that ACS would be phased out and anticipated that ACS would no longer be supported for entry and entry summary filing by the end of February 2016. Filers were encouraged to adjust their business practices so that they would be prepared when ACS was decommissioned.

CBP has developed a staggered transition strategy for decommissioning ACS to give the trade additional time to adjust their business practices. The first two phases of the transition were announced in a *Federal Register* notice published on February 29, 2016 (81 FR 10264). The third phase was announced in a *Federal Register* notice published on May 16, 2016 (81 FR 30320). The fourth phase of the transition was announced in a *Federal Register* notice published on May 23, 2016 (81 FR 32339). This notice announces a further transition as CBP is transitioning statement processing for both daily and monthly statements from ACS to ACE.

III. Announcement of Daily and Monthly Statements Being Generated, Transmitted and Updated in ACE

This document announces that beginning on December 9, 2017, ACE will be the sole CBP-authorized EDI system for generating, transmitting and updating daily and monthly statements for all entries except reconciliation (type 09) entries, and that as of that date, ACS will be decommissioned for such purposes. Until reconciliation entries are filed in ACE, statements for reconciliation entries will continue to be generated, transmitted and updated in ACS. Once reconciliation entries are filed in ACE, ACE will be the sole CBP-authorized EDI system for generating, transmitting and updating all statements, and ACS will no longer be a CBP-authorized EDI system for such purpose.

Dated: November 3, 2017.

Brenda B. Smith,
Executive Assistant Commissioner,
Office of Trade.

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